



# **BUILDING STRATEGIC CAPABILITIES**



DEPARTMENT OF DEFENSE  
2009 WORLDWIDE HUMAN  
RESOURCES CONFERENCE

July 2009

**Chaos Theory 101:**

**Reporting DoD's Human  
Capital Accomplishments**

# AGENDA

- Human Capital (HC) Definition
- Major HC Reporting Requirements Overview
- Chaos Definition
- The Department of Defense Civilian Human Capital Accountability System (DoD CHCAS)
- HCMR Myths Vs. Realities
- FY 2008 Human Capital Management Report (HCMR) Results
- Future CHCAS and HCMR Enhancements
- FY 2009 and Beyond HCMR Initiatives

# What is Human Capital?

Human capital means people

- People are assets whose value can be enhanced through investment
- An organization's human capital policies must be aligned to support the organization's "shared vision"

***"An agency's people defines its character and its capacity to perform."*<sup>1</sup>**



# Annual HC Reporting Requirements

- Implementation Report for the DoD Civilian Strategic Human Capital Strategic Plan FY 2006-2010 (NDAA Report)
- Annual Human Capital Management Report (HCMR)

# Annual HC Reporting Requirements

- the National Defense Authorization Act (NDAA) for FY 2006 (Public Law 109-163) required submission of a strategic human capital plan for civilian employees of DoD
- Several additional legislative requirements related to DoD's human capital planning efforts have been passed

# Legislation Addressing DoD Civilian Workforce

Statutory Requirements	NDA FY 2006 Section 1122	NDA FY 2007 Section 1102	NDA FY 2008 Section 851	NDA FY 2008 Section 852	NDA FY 2008 Section 855
Assessment	Critical Skills, Competencies, and Gaps (current & future)	Critical Skills, Competencies, and Gaps (current & future)	Critical Skills, Competencies, and Gaps (current & future), and incentives for retention and recruitment	Provide guidance	Executive Branch
Funding	N/A	N/A	Identify funding programmed for defense acquisition workforce improvements, and training;	Establish defense acquisition workforce fund; fund managed by senior DoD official designated by USD(AT&L).	N/A
Recruit	Plan of action for developing and reshaping the civilian employee workforce of the Department to address the gaps in critical skills and competencies	Mandates DoD to develop a strategic plan for shaping and improving the senior management, functional/technical workforce, include assessment of whether current position allocations and types meet all of the DoD needs.	Incentives to Recruit	Incentives to Recruit	Encouragement to use existing tools
Train			Identify funding programmed for defense acquisition workforce training	Provision of Training	Training program required
Retain			Incentives to Retain	Incentives to Retain	Encouragement to use existing tools
Report	March 1, 2008	March 1, 2008	March 1, 2008	November 30, 2008	January 2009

# Overview of NDAA Report

- Annual requirement through FY 2010
- Formal report to Authorization Committees
- Content prescribed by Committees
- Focuses on workforce planning
- Submitted in March
- Results reviewed by GAO annually
- Prepared by CPP/CPMS



# Overview of HCMR

- Annual requirement (5 CFR part 250)
- OPM prescribed format
- Focuses on Office of Personnel Management's (OPM) Human Capital Assessment and Accountability Framework (HCAAF)
  - planning and goal-setting,
  - Implementation and evaluation
- Submitted by 15 Dec
- Results reviewed by OPM
- Prepared by CPMS



# What is Chaos?

- **Chaos** (derived from the ancient Greek *Χάος*, *Chaos*) typically refers to a state lacking order or predictability
- In modern English, it is used in mathematics and science to refer to a very specific kind of unpredictability; and informally to mean a state of confusion.

# Chaos or Not??

## NDAAR Report

Strategic  
Workforce  
Planning

Strategic  
Planning

MCO Competency gap  
Analysis

10 year planning horizon

Legislative Branch  
Review

Mar

## HCMR

One year focus on results

Leadership and Knowledge Management

Results-Oriented  
Performance

Accountability

Talent Management

OPM Review  
Dec 15

# Order out of Chaos

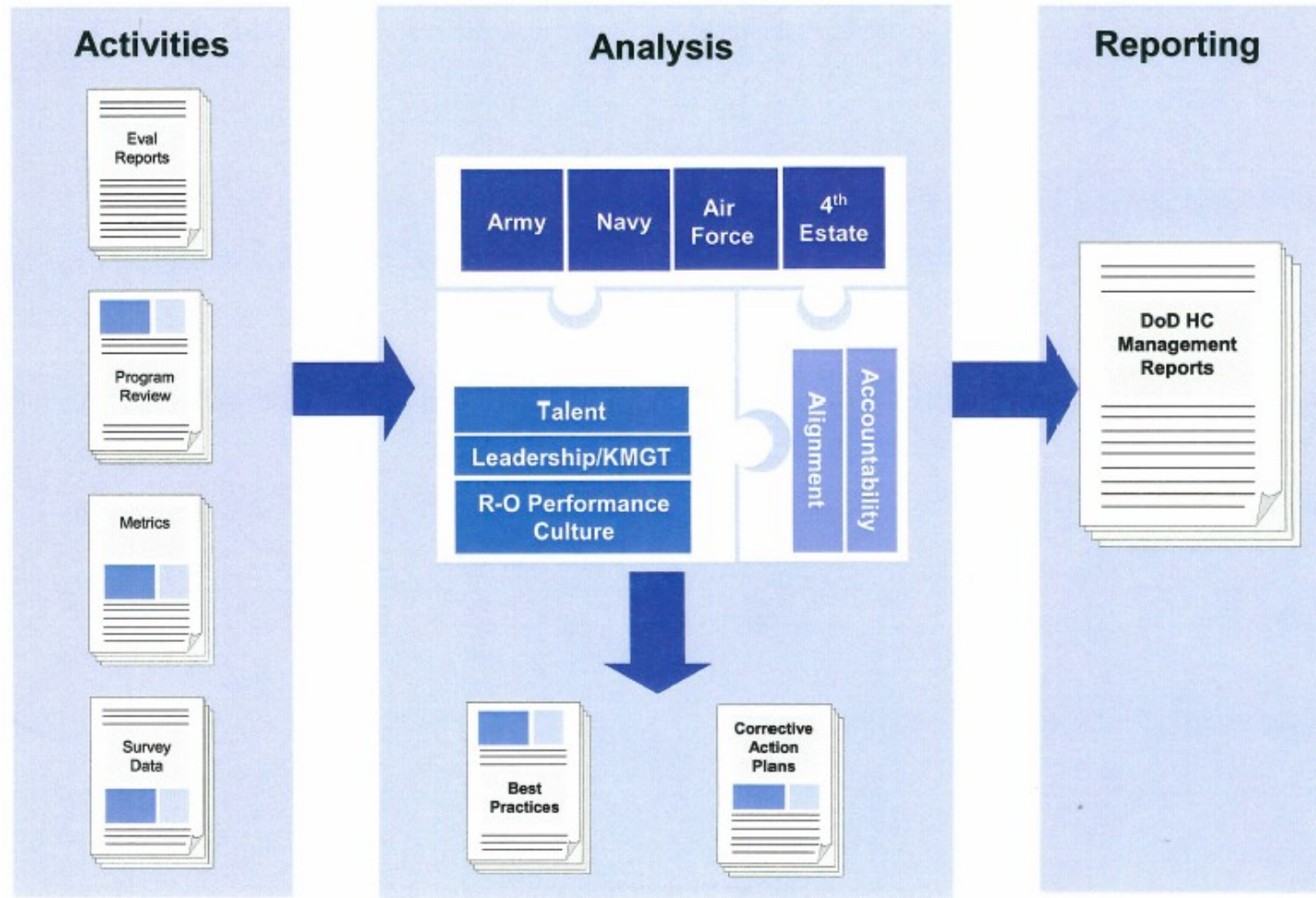
## DoD Civilian Human Capital Accountability System (CHCAS)

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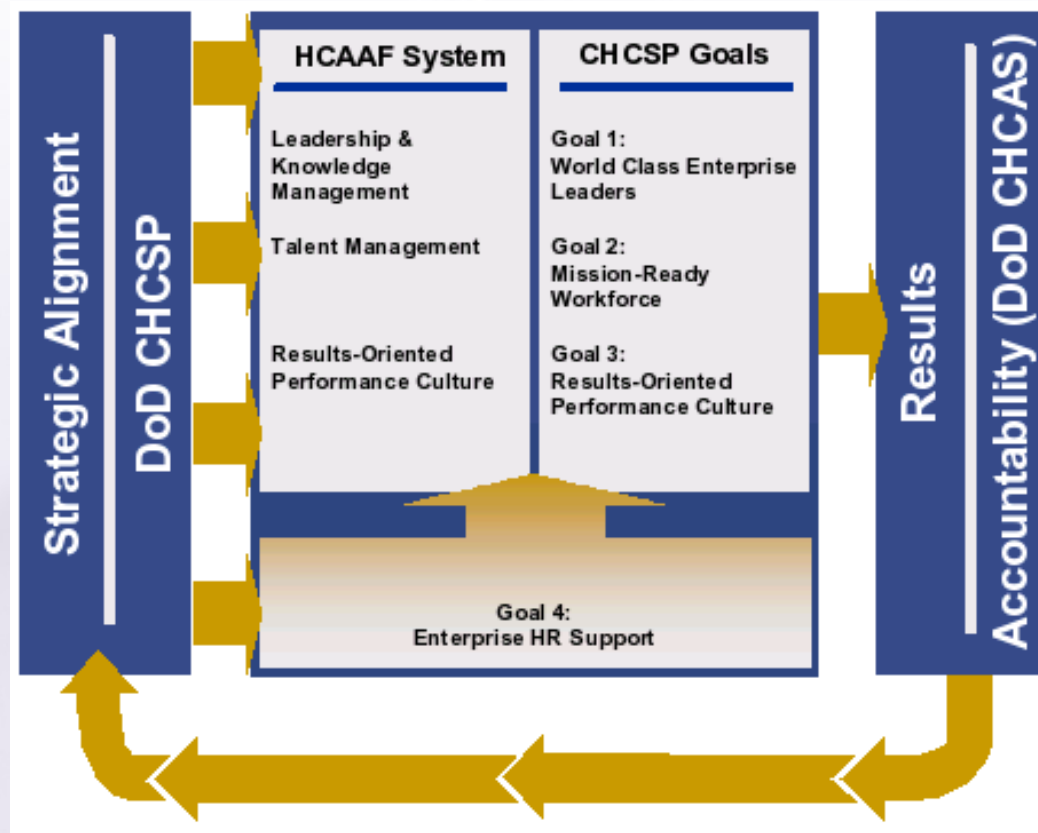
- Provides an annual enterprise-wide snapshot of HC programs and policies
- Evaluates the enterprise-wide accomplishments and effectiveness of civilian HCM objectives
- Provides a snapshot of level of compliance with laws and regulations



# DoD CHCAS



# Alignment of DoD Goals to HCAAF



# HCMR: Myth vs. Reality

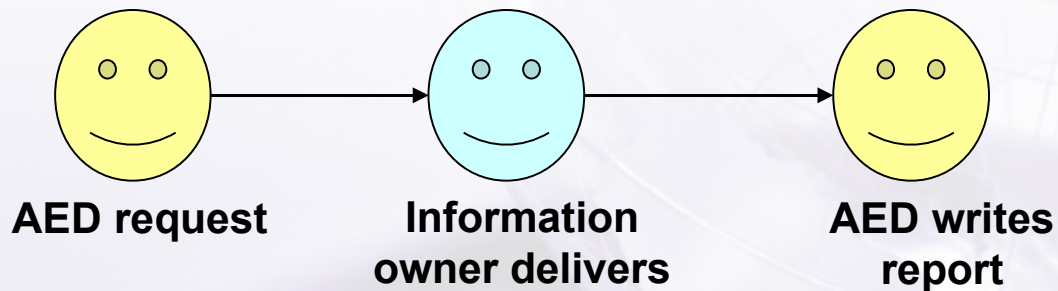
**Myth:** HCMR is an OPM-focused report that deals mainly with responding to issues of importance to OPM

**Reality:** HCMR is a useful tool for DoD to aid in aligning human capital activities with DoD's overall strategic direction and to “see what is happening”

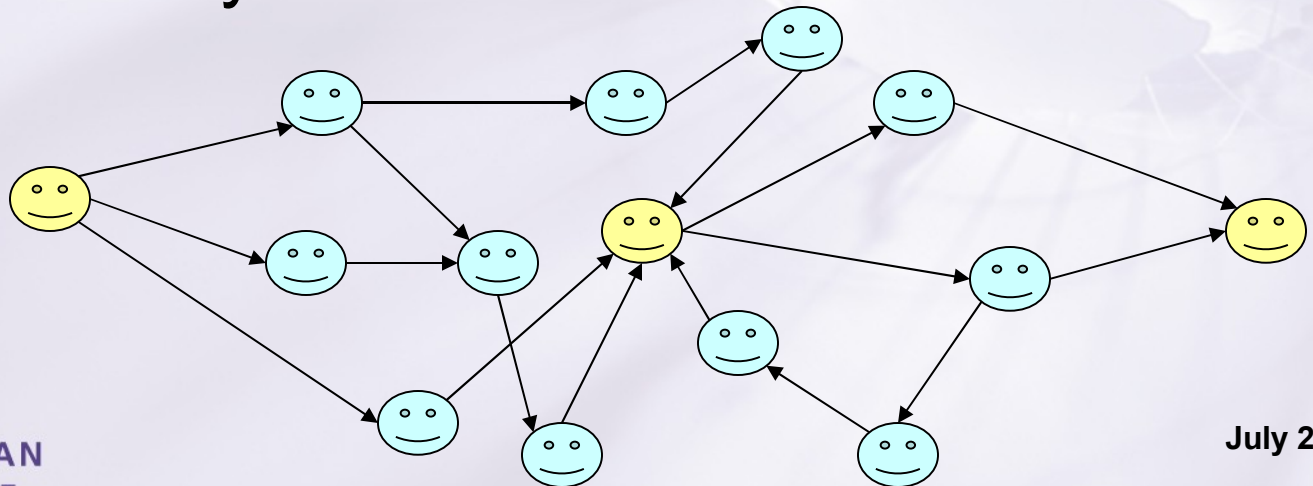


# HCMR: Myth vs. Reality

Myth: HCMR is an OSD Product



Reality: HCMR is a Team Product





# 2008 HC Management Report

	Sample Actions	Sample Results
Strategic Alignment	<ul style="list-style-type: none"><li>•Continued cascading HC goals among Components, Agencies, and functions</li><li>•Enterprise workforce planning and competency assessment</li></ul>	<ul style="list-style-type: none"><li>•Clear alignment of Component HC goals to DoD CHCSP</li><li>•Functional Community Manager concept developed</li></ul>

# 2008 HC Management Report

	Sample Actions	Sample Results
<b>Goal 1: World Class Enterprise Leaders</b>	<ul style="list-style-type: none"><li>•Published two directives regarding systematic SES life cycle management</li><li>•Implemented the Civilian Leaders Development Framework and Continuum</li><li>•Launched Defense Senior Leader Development Program</li></ul>	<ul style="list-style-type: none"><li>•SES positions tiered in accordance with directive.</li><li>•70% of new SES hires came from within DoD</li><li>•642 graduates of Defense Leadership and Management Program to date</li></ul>

# 2008 HC Management Report

	Sample Actions	Sample Results
<b>Goal 2: Mission-Ready Workforce</b>	<ul style="list-style-type: none"><li>• Defined new MCOs</li><li>• Added key capabilities to mission critical occupations</li><li>• Continued competency gap assessment across enterprise</li></ul>	<ul style="list-style-type: none"><li>• Identified 4 DoD unique MCOs. Detailed workforce analysis begun</li><li>• Added key capabilities to mcos : expeditionary capabilities, language proficiency, and knowledge of interagency roles</li></ul>

# 2008 HC Management Report

	Sample Actions	Sample Results
<b>Goal 3: Results- Oriented Performance Culture</b>	<ul style="list-style-type: none"><li>•Performed a PAAT on NSPS Spirals 1.2 and 1.3.</li><li>•Submitted final SES Pay for Performance System Plan to OPM for final review and accreditation.</li><li>•Submitted new NSPS implementing issuances</li></ul>	<ul style="list-style-type: none"><li>•Received a score of 80 (70 is passing) on OPM's PAAT</li><li>•Obtained certification of SES Pay for Performance System for CY 2007 and 2008</li><li>•Issued Final Enabling Regulations, effective Nov 25, 2008</li></ul>



# 2008 HC Management Report

	Sample Actions	Sample Results
<b>Goal 4: Enterprise HR Support</b>	<ul style="list-style-type: none"><li>•HR Professional Career Framework (HRPCF) introduced</li><li>•Implemented a Strategic Compensation Certification Program</li><li>•Some components are revising HR intern infrastructure</li></ul>	<ul style="list-style-type: none"><li>•Nearly 200 senior HR professionals have completed training to reduce competency gaps in compensation</li><li>•Components have recruited 520+ interns within the past three fiscal years</li></ul>

# 2008 HC Management Report

## Accountability

### Sample Actions

- Implemented CHCAS FY 2008 HC evaluation plan (Air Force and Navy)
- Performed Compliance review activities
- Implemented other CHCAS activities (Awards review, metrics, survey analysis)
- Developed the second annual HCMR for FY 2008
- Monitored corrective actions
- Identified best practices
- Revised CHCAS based on lessons learned

## 2008 SOFS-C Results

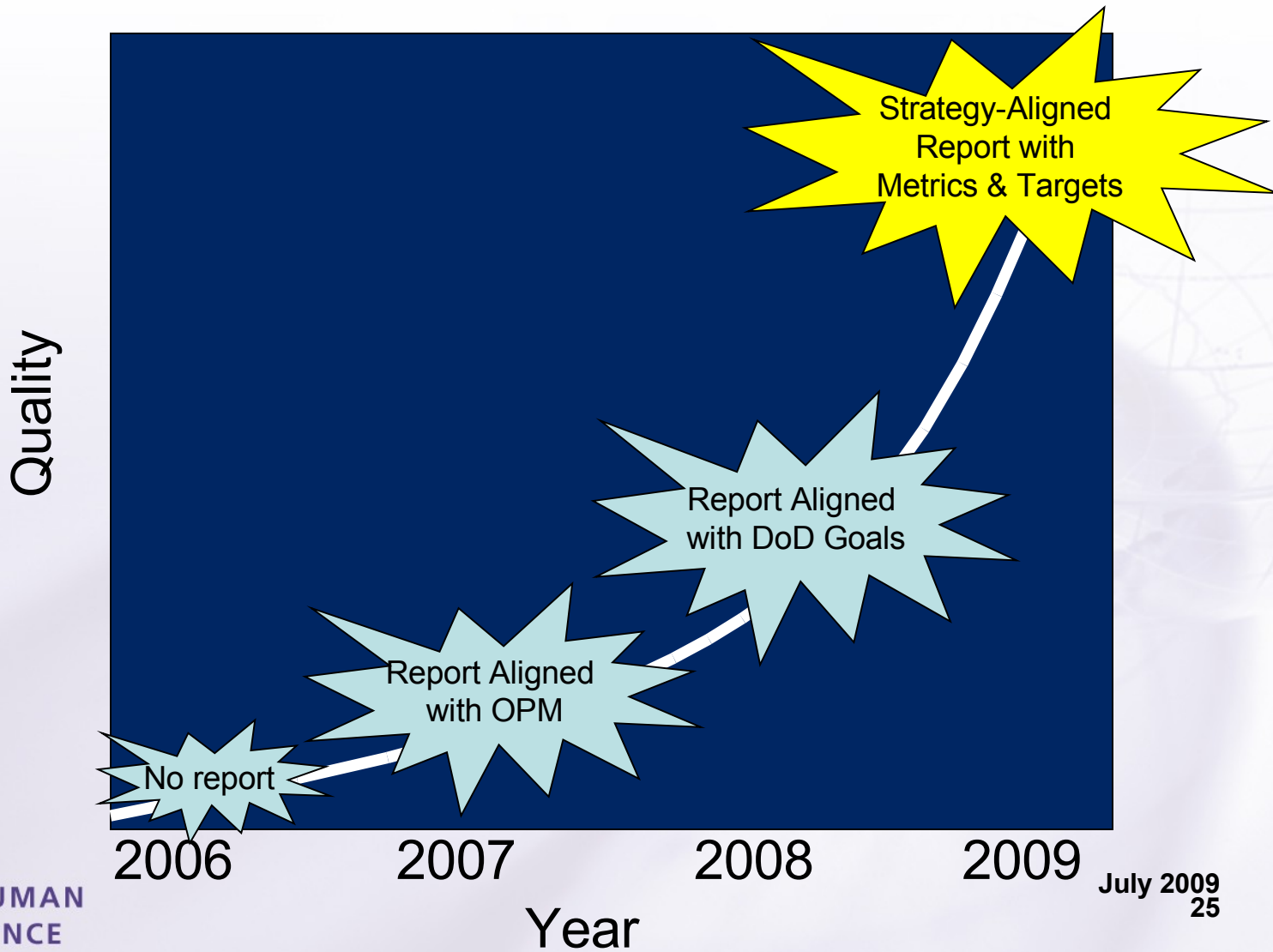
- Leadership/ Knowledge Management– **60%** satisfied with leaders' abilities
- Talent Management - **58%** believe organization has talent necessary to achieve goals
- Job Satisfaction - **66%** satisfied with their jobs
- Results-Oriented Performance Culture - **53%** of workforce believe organization has a results-oriented and high-performing workforce
- HR Satisfaction - Satisfaction with availability, quality, and timeliness of HR services dropped from **56%** in FY 2006 to **52%** in FY 2008

The background of the slide features a large, semi-transparent globe with a grid of latitude and longitude lines. The globe is positioned diagonally, with the top left corner showing the North Pole and the bottom right corner showing the South Pole. The overall color scheme is a mix of light blue and white, with a darker blue vertical band on the left side.

# What's Ahead For the CHCAS?



# DoD HCMR Maturation Model



# Anticipated Changes for 2009

- Fewer initiatives – better information
- In-depth discussion of results
- Analysis of metrics and targets
- Improved collection of data via communication and coordination
- More focus on results and outcomes vs outputs

# Other Considerations for 2009

- New emphasis - HCMR can be leadership's main reference for HCM
- Response to internal and external requirements
- Fill in the regulatory blanks
- Use report as a HC strategy tool
- Highlight the value of the report to DoD

# Steps to Improving the HC Reporting Efforts

- Identify enterprise-wide communication effort needed
- Establish templates for data collection
- Better identification of Component initiatives and strategies
- Establish a DoD HCM Accountability CoP



# HCM Accountability CoP

- Intent and purpose
- Roles of various programs
- Activities to bring about change
- Timelines and expectations
- Best practice sharing

# Overview of 2009 Priorities

## Goal 1

- Continue SES Life-Cycle Management initiative
- Continue implementing Civilian Leadership Framework and Continuum
- Analyze bench strength
- Continue monitoring Performance Appraisal System for Executives

## Goal 3

- Complete implementation of NSPS for eligible workforce
- Continue Labor Management relations program to enhance workforce readiness.

## Goal 2

- Remain a competitive employer of choice
- Implement Civilian Expeditionary Workforce
- Continue mission-critical occupation competency analyses
- Continue workforce planning efforts

## Goal 4

- Continue implementing HRLoB initiatives
- Continue development and implementation of ESS

# Beyond 2009, We Will Have...

- Improved reporting mechanisms
- Improved communication
- Increased participation
- Increased value to shareholders & stakeholders
- Improved HCM across DoD

# Summary

- HCMR – it's not just for OPM anymore
- Changes for 2009
  - Better metrics and targets
  - Better communication
  - Better link between results and actions
- New expectations for stakeholders – what we can all do to help ourselves



## Final Thought

***"This is a great time to be a CHCO if you want to make a difference; if you want to really have an opportunity for impact, boy, do you have it. It's not a good time to be a CHCO if you were looking for a quiet, kind of maintain the status quo situation."***

--John Palguta, Vice President for Policy at the Partnership for Public Service.

# Questions?

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